

VZCZCXYZ0031
OO RUEHWEB

DE RUEHVI #2407 2561440
ZNY SSSSS ZZH
O 131440Z SEP 07
FM AMEMBASSY VIENNA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8567
INFO RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE 0400
RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE

S E C R E T VIENNA 002407

SIPDIS

SIPDIS

E.O. 12958: DECL: 09/13/2017
TAGS: [EFIN](#) [PREL](#) [AU](#) [IR](#)
SUBJECT: (S) IRAN'S REFAH BANK CONSIDERING A VIENNA BRANCH

REF: 08/31/07 TRICK-NELSON EMAIL

Classified By: Acting DCM Dean Yap for reasons 1.4 (b) and (d).

11. (S) On September 12, EconUnit Chief met with Kurt Pribil, the Financial Market Authority's (FMA) Executive Director and FMA Board Member Bernd Traexler to discuss Bank Refah's interest in establishing a branch office in Vienna. Traexler said that he and other FMA officials met with a Bank Refah delegation on September 7. Traexler characterized Bank Refah's interest as "exploratory," as the bank had not yet submitted an application for a bank license. According to Traexler, Bank Refah emphasized that other Iranian banks already had established branches in the United Kingdom, Germany, and Austria; Refah argued that it simply wanted to enter the European market.

12. (S) Traexler said that the FMA could not a priori deny Bank Refah a license. However, Traexler stressed that, should the FMA received a formal application, it would submit the Iranian bank to a rigorous due diligence process. Bank Refah, in Traexler's view, must overcome several obstacles to obtain a license: Refah would have to provide a comprehensive overview of its ownership structure; it would have to provide details on the businesses/sectors for which it would provide services; and it would have to submit a business plan that indicated a reasonable outlook for earnings. Pribil added that the FMA would also consider the relationship between it and the Iranian financial regulatory entities, which, at the moment, was non-existent. Most importantly, Bank Refah would need to demonstrate that there were substantial business opportunities for it in Austria. Traexler said the FMA had made all of these points to the visiting Bank Refah officials.

13. (S) EconUnit Chief thanked Traexler and Pribil for their heads-up on Bank Refah's interest in establishing a branch in Austria. EconUnit Chief warned that, as international sanctions against Iran tighten, the Tehran regime is seeking to employ non-sanctioned financial entities to pursue its proliferation agenda. In this context, the USG had concerns that Iran would use Bank Refah's accounts for proliferation-related activities (ref email). Traexler promised to keep the embassy informed of developments related to Bank Refah.

McCaw